

## Stopping the Power of Sale Process

When a borrower fails to make mortgage payments a mortgage lender may sell the property under [Power of Sale](#) to recover their investment. The Power of Sale process may be started 15 days after a payment has been missed. The initial document the borrower will receive is called a Notice of Sale, and it outlines why the mortgage is in default and how much money the lenders want. After this initial notice is sent, the borrower is given 35 to 40 days, referred to as the Redemption Period, to pay the mortgage arrears and related fees in order to continue the mortgage normally. Once the redemption period is over, the lender can then request the full amount of the mortgage and related fees. If the lender is not paid out, the lender will eventually sell the property to recoup their money.

## Ways to Resolve a Power of Sale

Even if the property is facing a Power of Sale, the homeowner still has the ability to use the property to stop the legal process. Since there can be many complications involved with resolving a Power of Sale, it is recommended to seek out the help of a professional. There are many [mortgage brokers](#) that specialize in stopping Power of Sale actions, and they can guide you through the process. In most cases, the lender threatening the Power of Sale will refuse to speak with the borrower and will send the file over to their legal team. The lender's legal team will usually be focused on getting their client's money back and will usually not be open to negotiation. Some options to stop a Power of Sale include paying off mortgages arrears plus fees, replacing the mortgage with a new one, or arranging to sell the property. The borrower's best solution depends on when the mortgage went into default, the borrower's cash on hand, the property's equity and where the property is located amongst other factors.

## Differences Between Power of Sale and Foreclosure

In Ontario, a mortgage lender looking to recover their money can use either the Power of Sale or [foreclosure process](#). Both processes share similar steps, but there are a few main differences. Power of Sale is the more popular process, as it is faster and cheaper than foreclosure. When the property is sold under Power of Sale, the borrower is entitled to excess profits on the sale of the property. Foreclosure is less popular since it is a much more time consuming and expensive process. In a foreclosure, the property's title is transferred to the lender and the borrower gets nothing. If the debts on a property are far less than the property's value, a lender would be able to make a large profit by using the foreclosure process.

## Homeowner Rights After Eviction

During the final stages of the Power of Sale or foreclosure process, a sheriff will arrange to evict the homeowners and a notice with details of the eviction will be placed on the front door of the property. After the sheriff evicts the property's occupants, they will not be allowed back inside aside from supervised visits which must be requested. It may be necessary for the former occupants to request a visit to retrieve essential items such as medication. The homeowner still has the right to sell or mortgage the property, but this may be difficult if they are not allowed to enter the property. In order to get a mortgage, the lender must arrange for a supervised visit of the property in order to inspect it. In the case where a new mortgage is not possible, the best option may be to sell the property. The property sale must be done quickly usually by someone who has the cash on hand to purchase the property outright. Getting a traditional first mortgage from a bank typically takes too long and the property will be sold before the mortgage is

approved. There are many private lenders who are able to purchase properties outright and stop the Power of Sale process. Selling the property to a [private lender](#) will allow more time to properly move out of the house and find new living arrangements. By selling the property the former homeowner also prevents additional Power of Sale legal fees which can be \$30,000 or more. Generally, it is advised not to allow the lender to complete the Power of Sale because of the fees that are charged.